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RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY

C O N F I D E N T I A L KUWAIT 001139

SIPDIS

STATE FOR NEA/ARP AND S/CT KURSCH  
ENERGY FOR DAS HEGBURG AND GINA ERICKSON

E.O. 12958: DECL: 12/03/2019  
TAGS: [ENRG](#) [EPET](#) [PTER](#) [KCIP](#) [ECON](#) [KU](#)  
SUBJECT: KUWAIT'S RESPONSE TO DRAFT CEIP MOU

REF: A. KUWAIT 960  
[1](#)B. STATE 97430  
[1](#)C. KUWAIT 624  
[1](#)D. KUWAIT 541  
[1](#)E. KUWAIT 32  
[1](#)F. 08 STATE 126863

Classified By: Economic Counselor Oliver B. John for reasons 1.4 (b & d  
) .

[1](#)1. (U) This is an action request. Please see para 5.

[1](#)2. (C) Econcouns met with Kuwait National Security Bureau Director of International Relations Sheikh Fawaz Al-Sabah on December 3 to discuss the draft CEIP MOU. Sheikh Fawaz handed Econcouns English and Arabic draft copies of the MOU with GoK revisions, which he described as MFA requirements. Post has e-mailed the Kuwaiti drafts to NEA/ARP and S/CT.

[1](#)3. (C) There are three substantive changes.

-- In Article 8, the Kuwaitis removed all specific references to costs. The Kuwaiti revision reads "Each participant is to be responsible for the costs of its participation in the Joint Working Group." Sheikh Fawaz explained that the GoK did not want a more detailed presentation, because this would require a "special agreement" and parliamentary approval. The current formulation would just require cabinet ratification. Econcouns stressed that the GoK would still need to fund specific projects. Sheikh Fawaz agreed, saying that these would be dealt with through specific project agreements, which would need budgetary authorization from Parliament.

-- In Article 9, the Kuwaiti text reads "this Memorandum of Understanding shall enter into force from the date of receiving the last notification whereby one of the Parties informs the other in writing through diplomatic channels that it has satisfied the constitutional procedures for its entry into force." Sheikh Fawaz explained that the GoK was constitutionally prohibited from entering into international agreements on signature only. He cited Article 70 of the constitution, but stressed that the cabinet could ratify this agreement. (Note: Article 70 which states that the "Amir shall conclude treaties by decree and shall transmit them immediately to the National Assembly with the appropriate statement. A treaty shall have the force of law after it is signed, ratified and published in the Official Gazette." The article further notes that treaties that entail additional expenditure not provided for in the budget "shall come into force only when made by a law.")

-- In Article 9, the Kuwaitis have changed the duration of the MOU to three years and provide for automatic renewal.

[1](#)4. (SBU) There are some stylistic changes. The GoK has

changed Section to Article and wants to ensure that "The State of Kuwait" is used throughout rather than "Kuwait."

¶5. (C) Action Request: Sheikh Fawaz stressed his interest in moving to signature as rapidly as possible. He stated that he would contact the MFA to determine who would have signatory authority for the GoK, though he speculated that it would probably be the Minister of Oil or the Head of the Higher Coordination Committee for Protecting Critical Energy Infrastructure. He suggested that -- should the USG have problems with suggested GoK changes -- we arrange for direct contact between the key parties (particularly the lawyers in the MFA), either by videoconference or having a U.S. delegation visit Kuwait. Deputy Secretary of Energy Poneman will be meeting with Kuwait's National Security Bureau on December 6. If possible, post would appreciate any initial thoughts on the revision in advance of that meeting. End action request.

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